

RECEIVED
FEC MAIL
OPERATIONS CENTER

2006 NOV -3 P 4: 53

November 2, 2006

Lawrence H. Norton , Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

MUR # 5877

Re: Complaint Against Richard Pombo For Congress, RICHPAC

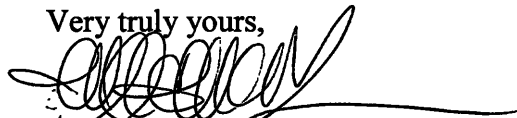
Dear Mr. Norton,

Attached please find a complaint (3 copies), and attached exhibit A, filed by McNerney for Congress against Richard Pombo for Congress and RICHPAC for violations of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 431 et seq. ("the Act"), and Commission regulations at 11 C.F.R. 1.1 et seq.

Please note that we are sending the Declaration of A.J. Carillo that supports Exhibit A separately via overnight mail today.

Also enclosed please find a self-addressed stamped envelope. Please return an endorsed-filed copy of the complaint. Thank you for your cooperation and assistance in this matter.

Very truly yours,


Michael McNerney
McNerney for Congress

AJC/jd
Attachments

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2006 NOV -3 P 4: 55

27044182333

Before the Federal Election Commission

RECEIVED
FEC MAIL
OPERATIONS CENTER
2006 NOV -3 P 4: 53

McNerney for Congress
6250 Village Pkwy
Dublin, CA 94568-2449
(925) 833 0643

VS.

MUR No.: 5877

Richard Pombo, Richard Pombo for Congress
Campaign Headquarters
6702 Inglewood Avenue, Suite K
Stockton, CA 95207
(209) 956-3976

RICHPAC
1155 21st Street NW
Suite 300
Washington, DC 20036
(202) 859-4953

COMPLAINT

Pursuant to 2 U.S.C. §437g, and upon information and belief, this complaint concerns violations of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 431 et seq. ("the Act"), and Commission regulations at 11 C.F.R. 110.1 and 11 C.F.R. 110.2, by Richard Pombo, Richard Pombo for Congress ("Pombo for Congress"), the campaign committee for Representative Richard Pombo, who is a candidate running for re-election in the 11th Congressional District of California, and RICHPAC, a federal political action committee that functions as a "Leadership PAC" for Richard Pombo. Pombo for Congress is a political committee registered with the Commission.

27044182335

This complaint alleges that Richard Pombo for Congress and RICHPAC violated federal election law by circumventing the \$5,000 federal campaign limit on PAC contributions to candidates running for federal office. In 2006, RICHPAC (Richard Pombo's leadership PAC) made multiple in-kind contributions with a value of \$161,000 in fees, retainers, commissions, and bonuses to Carol Goeas and Associates, a professional political fundraiser, for the purpose of raising money for the Pombo for Congress campaign committee. Pombo for Congress disclosed only that it reimbursed Carol Goeas and Associates for more than \$23,000 for fundraising expenses, but failed to disclose the receipt of the rest of the illegal in-kind contributions made by RICHPAC in the form of payments to Carol Goeas and Associates for her fundraising work on behalf of Pombo for Congress. In addition to alleging that both Pombo for Congress and RICHPAC circumvented the \$5,000 contribution limit, this complaint alleges that Richard Pombo for Congress has violated federal election law for failing to disclose the illegal in-kind contributions.

I. FACTS

On information and belief, in 2006, RICHPAC paid Carol Goeas and Associates, of Carol Goeas and Associates & Associates, more than \$161,000 in fees, retainers, commissions, and bonuses for Goeas' fundraising work on behalf of Pombo for Congress, despite the fact that RICHPAC raised less than \$154,000 during the same time period. In the first eighteen days of October, 2006, RICHPAC paid Carol Goeas and Associates more than \$66,600 for her fundraising efforts and work for Pombo for Congress, despite the fact that RICHPAC raised less than \$13,000 during the same time

period. (See RichPAC FEC Spreadsheet, attached herein as Exhibit A). Thus, Carol Goeas and Associates was paid more than three times more in “commissions” than RICH PAC actually raised.

On or about September 22, 2006, Pombo for Congress reimbursed Carol Goeas and Associates for more than \$23,000 for “fundraising expenses.” (See Exhibit A). However, Pombo for Congress did not pay Carol Goeas and Associates any fees, retainers, commissions, or bonuses for fundraising on behalf of the Pombo for Congress campaign committee in 2006, according to the disclosure reports filed by Pombo for Congress with the FEC in 2006. (See Exhibit A).

II. LEGAL ANALYSIS

- A. Pombo For Congress and RICH PAC violated the Act and Commission regulations and circumvented federal contribution limits, by operating under a scheme in which RICH PAC illegally made in-kind contributions to Pombo for Congress, in the form of payments to Carol Goeas and Associates of \$161,000 in fees, retainers, commissions and bonuses for fundraising work and services for Pombo for Congress.**

The Federal Election Campaign Act, at 2 U.S.C. § 441a(a)(1)(d), explicitly forbids any person from making a contribution “...to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.” See 11 C.F.R. 110.1(d). A PAC can contribute up to \$5,000 to another political committee per election (primary and general). 2 U.S.C. § 441a(a)(2)(a). By paying Carol Goeas and Associates more than

\$161,000 in fees, retainers, commissions, and bonuses for fundraising work and services that Goeas did for Pombo for Congress, RICHPAC effectively circumvented the \$5000 federal campaign contribution limit, by making illegal in-kind contributions to Pombo for Congress greatly exceeding the \$5000 limit. Pombo for Congress thus received the benefits of Goeas' fundraising work without having to pay for it out of Pombo for Congress funds.

The Pombo for Congress campaign thus attempted to circumvent federal election law and federal campaign contribution limits by using its affiliated PAC, RICHPAC, to make campaign disbursements to Carol Goeas and Associates for fundraising work for Pombo for Congress—disbursements that Pombo for Congress should have been making from its own funds.

- B. Pombo for Congress violated federal election law and Commission regulations by failing to disclose the receipt of in-kind contributions from RICHPAC in the form of payment of more than \$161,000 in fees, retainers, commissions, and bonuses to Carl Goeas for fundraising work and services for Pombo for Congress, because these in-kind contributions were illegal, exceeding the \$5,000 limit on these contributions.**

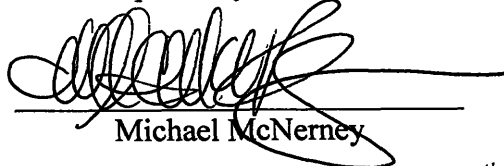
Pombo for Congress failed to disclose or report any in-kind contributions received from RICHPAC in any of its disclosure reports filed with the Commission in 2006, for the payments made by RICHPAC to Carol Goeas and Associates for Goeas's fundraising work for Pombo for Congress. (See Exhibit A.) Thus, Pombo for Congress avoided revealing its circumvention of federal campaign finance law – and that it was illegally

receiving more than \$161,000 in in-kind contributions from RICH PAC, contributions which far exceed the federal contribution limit of \$5,000 per election.

III. CONCLUSION

Pombo for Congress's and RICH PACs' violation of and failure to comply with the Act and Commission regulations warrants further investigation and enforcement by the Commission. Demand is further made that the Commission immediately investigate the matter and find Pombo for Congress and RICH PAC in violation of the Act and Commission regulations for the reasons set forth herein.

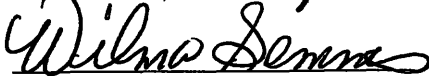
Respectfully submitted,



Michael McNerney

McNerney for Congress

SWORN TO AND SUBSCRIBED before me on November 3, 2006.


Notary Public

My Commission Expires: ~~My Commission Expires~~ July 31, 2007

27044182338

Attachment A

(a) In 2006, Richard Pombo's political action committee, RICH PAC, paid Carol Goeas more than it raised. RICH PAC paid Carol Goeas more than \$161,000 in fees, retainers, commissions and bonuses, but raised less than \$154,000.

Rich PAC -- Disbursements to Address	Description	Date of Disbursement	Amount
		10/11/2006 -10/18/2006	
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22314	PAC fundraising commissions	10/12/2006	\$35,001.75
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22315	PAC fundraising commissions	10/12/2006	\$8,000.00
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22316	PAC fundraising retainer	10/12/2006	\$3,500.00
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC fundraising bonus	10/12/2006	\$20,000.00
	TOTAL OCTOBER 2006		
	OCT. COMMISSIONS		
	9/1 -9/30		
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC fundraising retainer	9/13/2006	\$24,067.13
	7/1-7/31		
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC Fundraising Retainer	7/10/2006	\$20,000.00
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC Fundraising Retainer	7/10/2006	\$4,500.00
	6/1 -6/30		
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	fundraising bonus	6/7/2006	\$10,000.00
	5/1 -5/30		
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC Fundraising Retainer- Feb. & March	5/22/2006	\$9,000.00
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC Fundraising Retainer-April & May	5/22/2006	\$9,000.00
	2/1 -2/28		
Carol Goeas & Associates 1707 Prince St Alexandria, VA 22317	PAC Fundraising Retainer	2/14/2006	\$18,000.00
	TOTAL 2006		(a) \$161,068.88
Rich PAC -- Receipts		Month of Receipt	Amount
		January	\$0.00
		February	\$4,025.00
		March	\$29,625.00
		April	\$38,250.00
		May	\$5,000.00
		June	\$12,000.00
		July	\$10,000.00
		August	\$15,800.00
		September	\$26,100.00
		October	
		TOTAL 2006	(a) \$153,700.00

633281P7047

1. The first step in the process of identifying a problem is to recognize that a problem exists. This is often done by comparing current performance with a desired state or goal. For example, if a company's sales are declining, it may indicate a problem with its marketing strategy or product quality.

Rich PAC -- Disbursements to Address	Description	Date of Disbursement	Amount
Goeas & Assoc LLC 1707 Prince St. #5 Alexandria, Virginia 22304	Fundraising expenses	07/01/2006-09/30/2006	9/22/2006

(c) In 2006, Porbo for Congress paid Hammond and Associates, Werdly Warfield and Associates, Annette Porbo, and Shannon Ding less than \$143,000 each on more than \$2.4 million raised.

Pombo for Congress -- Disbursements	Description	Date of Disbursement	Amount
Annette Pombo P. O. Box 1070 Tracy, California 95376	Fundraising consulting	10/1 -10/18	
Wendy Warfield & Assoc. 921 14th St. #110 Sacramento, California 95814	Fundraising consulting	10/2/2006	\$3,000.00
Ding Shannon 8639 Walnut Acre Rd. Stockton, California 95212	Fundraising services	10/12/2006	\$7,200.00
Ding Shannon 8639 Walnut Acre Rd. Stockton, California 95212	Fundraising expenses	10/12/2006	\$3,517.54
Carole Goeas & Assoc. LLC 1707 Prince St. #5 Alexandria, Virginia 22344	Fundraising expenses	9/22/2006	\$23,759.21
Hammond & Assoc. 801 N Pitt St. #120 Alexandria, Virginia 22314	Fundraising services	8/2/2006	\$4,059.83
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising commission - disputed amount	8/2/2006	\$15,000.00
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting	8/2/2006	\$3,483.66
Hammond & Assoc. 801 N Pitt St #120 Alexandria, Virginia 22314	Fundraising exp.	9/5/2006	\$856.84
Annette Pombo P O Box 1070 Tracy, California 95376	Fundraising services	8/2/2006	\$3,000.00
Annette Pombo P O. Box 1070 Tracy, California 95376	Fundraising consulting	8/31/2006	\$3,000.00
Annette Pombo P O Box 1070 Tracy, California 95376	Fundraising services	7/1/2006	\$3,000.00
Ding Shannon 8639 Walnut Acre Rd. Stockton, California 95212	Fundraising expenses	9/5/2006	\$1,757.19
Annette Pombo P O. Box 1070 Tracy, California 95376	Fundraising consulting	04/01/2006-05/17/2006	
Annette Pombo P O. Box 1070 Tracy, California 95376	Fundraising consulting	4/3/2006	\$3,000.00
		5/1/2006	\$3,000.00

27044182340

Attachment A

Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting		4/25/2006	\$5,450.34
			05/18/2006-06/30/2006	
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting		5/22/2006	\$4,896.76
Annette Pombo P. O. Box 1070 Tracy, California 95376	Fundraising services		5/31/2006	\$3,000.00
Wendy Warfield & Assoc. 921 11th St. #110 Sacramento, California 95814	Fundraising consulting		6/7/2006	\$30,061.90
			01/01/2006-03/31/2006	
Annette Pombo P. O. Box 1070 Tracy, California 95376	Fundraising consulting		1/6/2006	\$3,000.00
Annette Pombo P. O. Box 1070 Tracy, California 95376	Fundraising consulting		1/24/2006	\$3,000.00
Annette Pombo P. O. Box 1070 Tracy, California 95376	Fundraising consulting		2/28/2006	\$3,000.00
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting		1/6/2006	\$2,998.92
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting		1/24/2006	\$3,062.24
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting		3/7/2006	\$3,152.19
Hammond & Assoc. 801 N. Pitt St. #120 Alexandria, Virginia 22314	Fundraising consulting		3/27/2006	\$3,386.92
	TOTAL 2006	Annette Pombo		\$30,000.00
	TOTAL 2006	Shannon Ding		\$7,200.00
	TOTAL 2006	Wendy Warfield		\$60,113.90
	TOTAL 2006	Hammond and Associates		\$45,490.86
	TOTAL 2006			(b) (\$142,805.76)
Pombo for Congress -- Receipts	Description	Date of Disbursement	Amount	
		10/1 -10/18	326789.99	
		07/01/2006-09/30/2006	279636.21	
		05/18/2006-06/30/2006	545564.12	
		04/01/2006-05/17/2006	921171.84	
		01/01/2006-03/31/2006	343425.96	
		2006 TOTAL	(b) (\$2,415,508.12)	
Richard Pombo for Congress-Receipts: Contributions from RICH PAC				Amount
		2006 TOTAL		\$0.00

TP528177027